



Introduced Version

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## HOUSE RESOLUTION No. \_\_\_\_

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*Introduced by: Koch*

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A HOUSE RESOLUTION urging the legislative council  
to create the Indiana investment exchange committee.

*Whereas, Sustainable economic diversification is essential  
to Indiana's continued fiscal growth and development;*

*Whereas, Neither local lenders nor governmental entities  
are currently equipped to make significant equity investments  
in local enterprises;*

*Whereas, Individual Indiana residents, resident economic  
entities, and institutional investors do frequently engage in  
risk-oriented investments, but do so primarily through  
out-of-state investment entities and national or international  
exchanges;*

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HR 1509/DI 84+

2012



*Whereas, The requirements, including cost, for listing on national and international exchanges are generally prohibitive for small to medium sized businesses;*

*Whereas, Indiana companies seeking local investment capital under current state and federal securities laws are generally limited to working privately with a small number of individual investors with significant personal assets in closed transactions subject to financial privacy protection;*

*Whereas, State and federal securities laws allow for a more publicly transparent equity investment process to be conducted between a private enterprise and investors, where all parties are located within the same state;*

*Whereas, Local investment in local companies is an effective means of driving economic growth and job creation through development of diversified industries within Indiana;*

*Whereas, A local investment exchange is an effective and efficient method of connecting potential investors, including small investors, with local enterprises seeking equity capital;*

*Whereas, A local investment exchange provides protection for investors and listed enterprises through the enforcement of clear standards and mandatory disclosures for listed enterprises and clear criteria for qualified investments;*

*Whereas, A local investment exchange will generate awareness of and interest in locally based opportunities for equity investment; and*

*Whereas, Several other jurisdictions have created or are investigating the possibility of creating local investment exchanges to promote locally based investment with a high multiplier effect: Therefore,*

*Be it resolved by the House of Representatives of the  
General Assembly of the State of Indiana:*

- 1           SECTION 1. That the legislative council is urged to create the
- 2           Indiana investment exchange committee.
- 3           SECTION 2. That the committee, if established, shall do the



1 following:

2 (1) Study:

3 (A) the possible creation of a local investment exchange in  
4 Indiana; and

5 (B) relevant state and federal laws and regulations relating  
6 to the formation of a local investment exchange.

7 (2) Make recommendations for legislation to create the necessary  
8 regulatory framework for a local investment exchange, including  
9 recommendations for:

10 (A) the appropriate agency to exercise regulatory authority  
11 over the local investment exchange;

12 (B) adequate staffing levels required for the identified  
13 regulatory agency to exercise regulatory authority over the  
14 local investment exchange;

15 (C) if applicable, criteria for the appointment of officers or  
16 directors of the local investment exchange;

17 (D) criteria for listing enterprises on the local investment  
18 exchange;

19 (E) indemnification of the local investment exchange from  
20 criminal and civil liability; and

21 (F) policies and procedures for collaboration with the  
22 federal Securities and Exchange Commission in the creation  
23 and administration of a local investment exchange.

24 SECTION 3. That the committee, if established, consists of the  
25 following members:

26 (1) The secretary of state or the secretary of state's designee.

27 (2) The director of the department of financial institutions or the  
28 director's designee.

29 (3) The chief executive officer of the Indiana economic  
30 development corporation or the chief executive officer's  
31 designee.

32 (4) The secretary of state or the secretary of state's designee, who  
33 is the chairperson of the committee.

34 SECTION 4. That the committee, if established, shall operate  
35 under the direction of the legislative council, and that the committee  
36 shall issue a final report when directed to do so by the council.

